Ammonia based urea fertilizer plant

†2290. SHRI AJAY MAROO: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Krishak Bharti Cooperative Ltd. (KRIBHCO) has set up a joint venture company with a private company with a view to acquire an ammonia based urea fertilizers plant in Shahjahanpur;

(b) the reasons for entering into partnership with a private company despite having a good financial position of the KRIBHCO;

(c) whether KRIBHCO has got the approval in its general body meeting and whether the Chairman and Managing Director of KRIBHCO were present in the meeting;

(d) whether the partner company was having any previous experience in the field of fertilizers; and

(e) whether Government are aware of the terms of the agreement and whether the permission from Government obtained?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) Yes, Sir.

(b) the decision for entering into partnership with a private company was taken independently by KRIBHCO. In this regard KRIBHCO has stated that the acquisition of the Shahjahanpur plant of M/s. Oswal Chemicals & Fertilizers Limited (OCFL) by KRIBHCO through a Joint Venture company, should be viewed in the light of the fact that there has been no growth of KRIBHCO despite the efforts. Therefore, as stated by KRIBHCO, when they were approached by M/s. Shyam Basic infrastructure Projects Private Limited (M/s. Shyam), who had been independently negotiating with M/s. OCFL for acquiring the Shahjahanpur unit, to joint them in this acquisition since they did not have the requisite technical and other expertise to run a fertilizer plant, KRIBHCO showed willingness to joint hands with them and take majority stake in a proposed joint venture alongwith complete management control of the Joint Company and the marketing rights of its products.

†Original notice of the question was received in Hindi.

(c) Yes, the General Body of the Society approved the acquisition of the assets of Shahjahanpur plant of M/s. OCFL through a joint venture with M/s. Shyam, in its Special General Meeting held on 24.11.2005. Both the Managing Director and Chairman were not present at the AGM.

(d) No, Sir.

(e) KRIBHCO has not obtained any Government permission.

Medicines at reasonable prices

2291. DR. (SHRIMATI) NAJMA A. HEPTULLA : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the mechanism in place to regulate/control the prices of various categories of medicines;

(b) the details for each category thereof;

(c) the steps taken/proposed to ensure that the selling price of a medicine is not exorbitant when compared with its intrinsic value; and

(d) how Government propose to ensure that the medicines which are to be taken life long are priced reasonably and the manufacturers/ traders do not indulge in undue profiteering?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (d) The objectives of the Pharmaceutical Policy include, *inter alia* ensuring abundant availability at reasonable prices within the country of good quality essential pharmaceuticals of mass consumption.

As per the present Pharma Pricing Policy, the 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO 95) and the formulations based thereon are under price control and their prices are fixed/revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95. These drugs have been kept under price control on the basis of criteria mentioned in 'Modifications in Drug Policy, 1986', announced in September, 1994.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing expenses, R&D expenses, trade commission, market